



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

February 22, 2000

S. 671

Madrid Protocol Implementation Act

As reported by the Senate Committee on the Judiciary on February 10, 2000

S. 671 would amend the Trademark Act of 1946 in order to facilitate the implementation of the Madrid Protocol, an international agreement that provides for the possibility of obtaining trademark protection in several jurisdictions by a single registration. The bill specifies administrative procedures that would be followed by companies applying for international protection of trademarks.

CBO estimates that enacting this bill would have no significant effect on the federal budget. Because the bill would not affect direct spending or receipts, pay-as-you-go procedures would not apply. Section 4 of the Unfunded Reform Mandates Act excludes from the application of that act any legislative provisions that are necessary for the ratification or implementation of international treaty obligations. CBO has determined that S. 671 would fit within that exclusion because it would implement the Madrid Protocol, an international agreement requiring ratification by the Senate.

S. 671 would become effective at the same time as the Madrid Protocol, which the Senate has not yet ratified. Assuming the Madrid Protocol enters into force in 2000, CBO estimates that, subject to the availability of appropriated funds, the United States Patent and Trademark Office (PTO) would incur net costs of less than \$500,000 in 2000 to establish a computer database.

United States participation in the Madrid Protocol would likely result in an increase in the number of trademark applications received by the PTO. The PTO's costs for processing trademark applications are fully funded by filing fees paid by the applicants. Such fees are collected and spent under authority provided in annual appropriation acts. Because income from fees offsets the costs of processing applications, CBO estimates that a change in the number of trademark applications would have no net budgetary impact.

On April 1, 1999, CBO transmitted a cost estimate of H.R. 769, the Madrid Protocol Implementation Act, as ordered reported by the House Committee on the Judiciary on March 24, 1999. That act is nearly identical to S. 671, and the estimated costs are the same.

The CBO staff contact for this estimate is Mark Hadley. The estimate was approved by Robert A. Sunshine, Assistant Director for Budget Analysis.